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MEMORANDUM FOR: THE DIRECTOR

This is for information.

Attached is a Memorandum for the Record concerning S. 355 a bill which would prohibit misuse of names, emblems, and insignia which would give the impression of Federal connection. We are attempting to obtain an amendment to this bill which would prohibit the use by private organizations of initials such as "C.I.A."

s/ John S. Warner
JOHN S. WARNER
Legislative Counsel

14 August 1959
(DATE)

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12 August 1959

MEMORANDUM FOR THE RECORD

SUBJECT: S. 355, A Bill to Prohibit the Misuse of Names, Emblems, and Insignia which Falsely Indicate Federal Relationship.

1. On this date I spoke to Walter Besterman, Chief Clerk, House Judiciary Immigration Subcommittee which currently has under consideration S. 355 which was passed by the Senate on 16 March 1959.

2. Our interest in this subject dates back several years. In October 1957 it came to our attention that the California Intelligence Agency had been established in Oakland, California and was emphasizing the initials "C.I.A." in its advertising material. This organization is run by Mr. Arthur R. Waters who was an employee of OSS in 1944 and 1945 and has been an inspector with the Oakland Police Department. We felt that, although there was no clear violation of the Federal statutes in the use of the letters "C.I.A.," the matter should be brought to the attention of the F.B.I. and the Justice Department for their recommendations as to the feasibility of legal action against this company. This was done in January of 1958. The Federal Bureau of Investigation after consulting the Internal Security Division of the Department of Justice advised this Agency that in its opinion no legal action could be taken against this organization. Upon our referral of the matter to the Federal Trade Commission we were advised that F.T.C. had no jurisdiction over the matter.

3. S. 355 was introduced by Senator Langer on 14 January 1959. Similar proposals were introduced in previous congresses but were never enacted. On 6 February 1959 I met with Mr. Joseph Davis, Chief Clerk of the Senate Judiciary Committee to discuss this bill and made specific reference to the advertising of the California Intelligence Agency as an example of the problem encountered by this Agency. I also pointed out our feeling that it would be desirable, as a general matter, to broaden the scope of the bill to preclude the use of any initials in a manner which would convey a false impression of Federal connection. The bill presently

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prohibits only the use of the initials U.S." Mr. Davis was of the opinion that, with certain minor revisions, S. 355 might accomplish our purpose in prohibiting the use of the Agency name or initials. (The F.B.I. has had for some time a specific provision in the law prohibiting the use of the name or initials of the F.B.I.) Mr. Davis said it was very doubtful that this bill would be favorably considered in view of the unsuccessful efforts in previous congresses. He added the primary reason for opposition to this type of proposal stems from the fact that a number of Congressmen have too many private organizations in their districts which would be affected adversely by such legislation.

4. Notwithstanding this information, the Senate Committee reported this bill on 16 March 1959 and, as previously indicated, it was passed by the Senate on the same day. When contact was made with the assistant chief clerk in connection with the Senate action he expressed regret that Mr. Davis had not made a notation of our conversation. He agreed that the addition of the words we suggested was desirable in the bill as a general proposition as well as being of benefit to the Agency. He added that he felt confident that the Senate would accept a House amendment to include this language. On the same day I consulted the counsel to the House Judiciary Committee concerning this bill. At his suggestion an appropriate letter was sent to the chairman of that Committee on 31 March 1959.

5. Last week this office received from the Office of Security a page from the Oakland Telephone Directory containing an advertisement of the California Intelligence Agency which conspicuously displays the initials "C.I.A." I telephoned Mr. Besterman to determine whether any action was contemplated by the House Committee on this bill and mentioned the existence of the Oakland advertisement. I offered to send the advertisement to Mr. Besterman as an illustration of the problem and he asked that I do so. No action was contemplated on the bill at that time. However, (perhaps as a result of my telephone call, but more likely as a result of a final review of the pending items prior to Congressional recess), this bill was considered by the Committee and ordered reported before the telephone directory page reached Mr. Besterman.

6. In our conversation today I expressed our disappointment to Mr. Besterman in the action of the Committee in reporting S. 355 without including the legislation which we had suggested. He indicated that the Committee in considering the bill had reviewed our letter but felt that our problem was not serious enough to warrant the amendment. However upon receiving the page from the telephone directory, Mr. Besterman discussed

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the matter again with Chairman Walter. Mr. Walter felt that on the strength of this advertisement he would be willing to offer an amendment on the floor of the Congress to take care of our problem. He expects to do this when the bill comes up for floor action on Monday 17 August 1959.

SIGNED

STAT

Assistant Legislative Counsel

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